

  
Councilmember Sharon Ambrose

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency, due to Congressional review, with respect to provide for the regulation of certain insurance rates in the District of Columbia, and for other purposes, to clarify the criteria that constitute an exempt commercial risk, and to clarify the effective applicability date.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this resolution may be cited as the "Insurance Economic Development Congressional Review Emergency Declaration Resolution of 2001".

Sec. 2. (a) On June 1, 2000, Chairperson Linda W. Cropp, at the request of the Mayor introduced Bill 13-724, the "Insurance Economic Development Act of 2000". On June 5, 2000, Chairperson Linda W. Cropp referred Bill 13-724 to the Committee on Consumer and Regulatory Affairs. On June 7, 2000, the Committee on Consumer and Regulatory Affairs held a Public Roundtable on Bill 13-724. On June 21, 2000, the Committee on Consumer and Regulatory Affairs discussed and held a mark-up and vote on Bill 13-724. On June 26, 2000, Bill 13-724 passed the Council's First Reading and on July 11, 2000, the Council passed Bill 13-724 on Second Reading. The Mayor signed Bill 13-724 on August 2, 2000 and it was submitted

to the Financial Authority for review.

(b) Subsequent to forwarding Bill 13-724 to the Financial Authority for review, the Council received notice from the Financial Authority explaining that they would not review the bill at that time. One matter of concern for the Financial Authority involved the bill's fiscal impact statement. Staff from the Council and the Financial Authority met to discuss and resolve these concerns. After meeting, the parties left with the understanding that the Chair of the Committee would introduce a new bill that would amend Bill 13-724 and address the Financial Authority's concerns. It was further understood that, whenever this new amending bill (which ultimately became Bill 13-806) was passed by the Council, that the Financial Authority would release for congressional review the underlying Bill 13-724 so both bills could be enacted together. After an additional delay, Bill 13-724 was referred to Congress and congressional review was completed on May 15, 2001.

(c) On July 26, 2000, Councilmember Sharon Ambrose introduced Bill 13-806, the "Insurance Trade and Economic Development Amendment Act of 2000". On August 3, 2000, Chairperson Linda Cropp referred Bill 13-806 to the Committee on Consumer and Regulatory Affairs. On September 27, 2000, the Committee on Consumer and Regulatory Affairs held a Public Hearing on Bill 13-806. On October 10, 2000, the Committee on Consumer and Regulatory Affairs discussed and held a mark-up and vote on Bill 13-806. On November 8, 2000, the Council had a First Reading on Bill 13-806. On December 5, 2000, the Council passed Bill 13-806 on Second Reading. The Mayor signed Bill 13-806 on December 28, 2000. The Financial Authority completed review of the legislation and the legislation was transmitted to the Congress on February 1, 2001. Congressional review of Bill 13-806 was completed on April 3, 2001.

(d) The purpose of Bill 13-806 was to amend Bill 13-724 and restore the previously

passed Bill to its original intent. Bill 13-806 amended language in Bill 13-724 and was intended to be construed as the governing law.

(e) Both Bill 13-724 and Bill 13-806 pertain to allowing insurers and policy holders to create commercial policies for large, sophisticated policy holders. The criteria for these policy holders was the subject of an amendment. Bill 13-806 was intended to lower the thresholds to where they had been in the introduced version and committee print of Bill 13-724. However, because Bill 13-806 was reviewed by Congress prior to review of Bill 13-724, ambiguity exists as to which bill governs. To remove any doubt of the Council's intent and to not do violence to the rules of statutory construction, emergency legislation (which ultimately became Bill 14-318) was passed on September 19, 2001 to correct this. The Mayor signed Bill 14-318 on October 2, 2001.

(f) The changes were also included in the Insurance Economic Development Temporary Amendment Act of 2001 (Bill 14-319), which passed the Council on October 2, 2001 and was signed by the Mayor on October 23, 2001. Bill 14-319 was transmitted to Congress on November 1, 2001 for Congressional review. Consequently, that bill will not become effective until after February 1, 2001. Accordingly, the Insurance Economic Development Congressional Review Amendment Act of 2001 is necessary to close any gap that would otherwise be created by the expiration of the first emergency bill before final enactment of the temporary bill.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Insurance Economic Development Congressional Review Amendment Act of 2001 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.